

Separate Document 14

"Cabinet Decision, 25 October 1940 /Showa 15/"
"Re Measures for Economic Development of N.E.I."

The inevitability of occurrences in economic affairs attendant on the progress of the New World Order and the priority of our Empire in the Netherlands East Indies based on the Tripartite Pact between Japan, Germany and Italy necessitates making the N.E.I. a link in the Greater East Asia economic sphere under the leadership of our Empire by establishing immediately close economic relations and developing and utilizing their rich natural resources from the general standpoint of co-existence and co-prosperity in connection with which the following measures must now be taken:

1. To stop the N.E.I. from relying on the European-American Economic Bloc, and to make it take the standpoint as being a member of the Greater East Asia Economy.

2. To remove or mitigate various restrictions which at present obstruct the economic activities of Japanese giving them preference and freedom in economic activities above others.

3. To propose a joint development of the N.E.I. so as to secure in the Greater East Asia Sphere the supply of necessary war material needed by the Empire as far as possible, thus becoming independent from British /T.N. Second Chinese character unreadable./ resources. If necessary, to lease or purchase suitable islands or territories.

4. Although we have already received a guarantee from the N.E.I. as to the supply of major items which are necessary to our Empire, we must furthermore obtain the N.E.I.'s agreement with regard to an increase in variety and quantities of these materials. Further, to make every effort for the realization of instituting under the Empire's guidance the trade control of important merchandise especially tin, rubber, quinine and others, over which the N.E.I. have a world monopoly.

5. To purchase as far as possible those agricultural products produced in the N.E.I., which bring profits to the natives and to stimulate their purchasing power in order to translate co-existence and co-prosperity into reality. For this purpose the N.E.I. should on their part accede to our demand as far as possible and encourage agriculture.

6. To seek special cooperation of the N.E.I. in regard to an increase in the export of Japanese merchandise to them.

7. With a view to the future establishment of a great monetary sphere within the Greater East Asia area under Japanese leadership, efforts shall be made to make the N.E.I. a link of the sphere also in regard to the establishment of

Item 9

new monetary relations with them, but it shall not be aimed to include the N.E.I. itself in the "YIN" bloc. To strive to place the Exchange Control in the N.E.I. under our guidance. For the time being, every advantage should be accorded to the Japanese with regard to the application of Exchange Control in the N.E.I. and at the same time N.E.I. banks should establish "credit" to the Japanese, as well as exert utmost efforts to give other financial facilities to the Japanese.

8. As a means to secure the leading position for the whole of Greater East Asia with regard to traffic and communications, efforts shall be made in establishing the following special rights and interests.

(a) The right of coastal trade, the right of entering unopened ports and the right of administering and using port facilities.

(b) The landing and operating right of submarine cables, the right of participating in the management of inland communication enterprises, and other communication rights.

(c) The inauguration of regular air services and the right of instituting air safety equipment.

9. In order to build a stable fishery position in the South we must strive towards increasing the number of fishing boats, removal of restrictions at ports of import of fish, establishment of fishery bases, and acquisition of other rights and interests pertaining to the conducting of the marine product industry.

10. To prohibit the establishment of new rights and interests of Third Powers in the N.E.I. and to endeavour to oust those already in existence likely to obstruct the expansion of our Empire.

11. To make the N.E.I. institute an Economic Constructional Commission and other suitable organs in which Japanese will be included and participate in forming the N.E.I. domestic and foreign economic policies and their enforcement, with a view towards guiding and strengthening economic collaboration with the Empire.

The N.E.I. shall be required to consult the above-mentioned organs with regard to trade, finance, taxation, customs duties, economic agreements with third countries, enterprises, traffic and communications, etc.

For the time being, Japanese importers in the N.E.I. will be made to participate in the Consultative Committee in the Ministry of Economics.

12. To demand the strict control of anti-Japanese commentaries by newspapers and other periodicals, at the same time ensuring freedom to Japanese in regard to the publication of newspapers.

13. To demand the N.E.I. authorities to exercise rigid control over Chinese residents assuming pro-Chiang-Kai-Shek and anti-Japanese attitudes. On the other hand, from a broad viewpoint, to plan the use of their organization and resources in consideration of their economic position.

14. In order to ensure the economic development of the Empire, various measures shall be resorted to, such as inviting influential natives to the Empire, or by propagandizing the true aspect of the Empire and creating a proper understanding thereof.

15. The Economic Policy shall be based upon the broad viewpoint of establishment of the Greater East Asia Co-prosperity Sphere and efforts shall be made towards expanding the interests of the Empire in harmony with the natives.